

MEASURES OF UNDEREMPLOYMENT AND UNDERUTILISATION

INTRODUCTION

Underemployment describes a situation where the potential labour of employed people is not fully utilised. Along with unemployment, it is an important indicator of unused capacity given current labour market conditions.

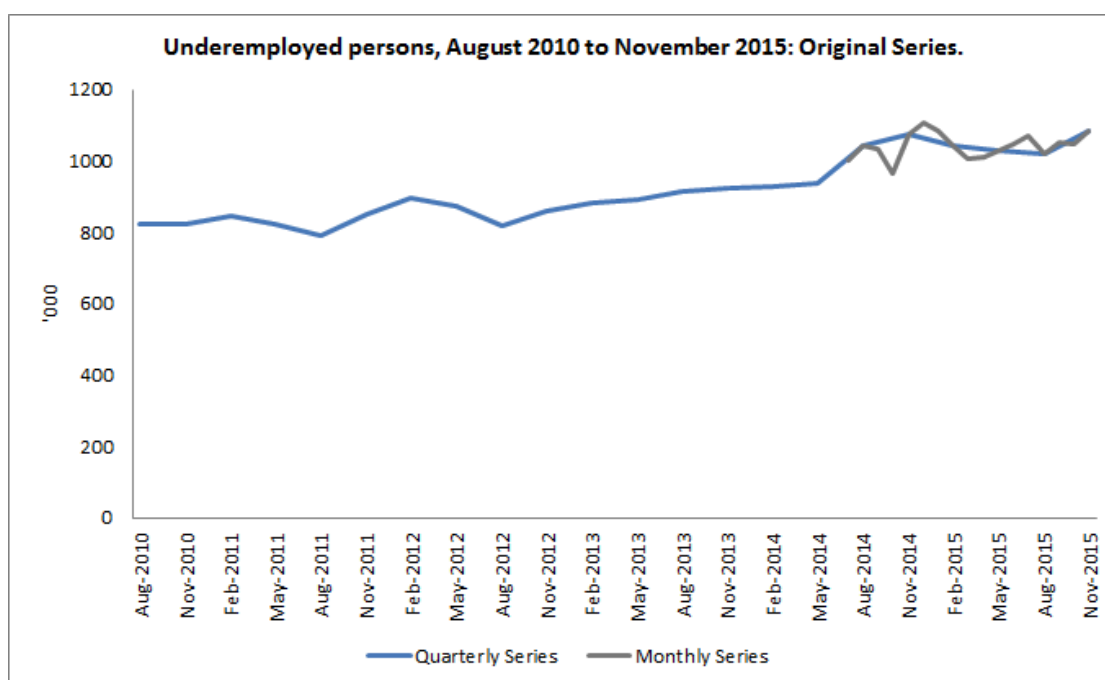
Underutilisation encapsulates both unemployment and underemployment and provides more comprehensive information on the state of labour market and measures the extent to which all available labour force resources are not being fully used in the economy.

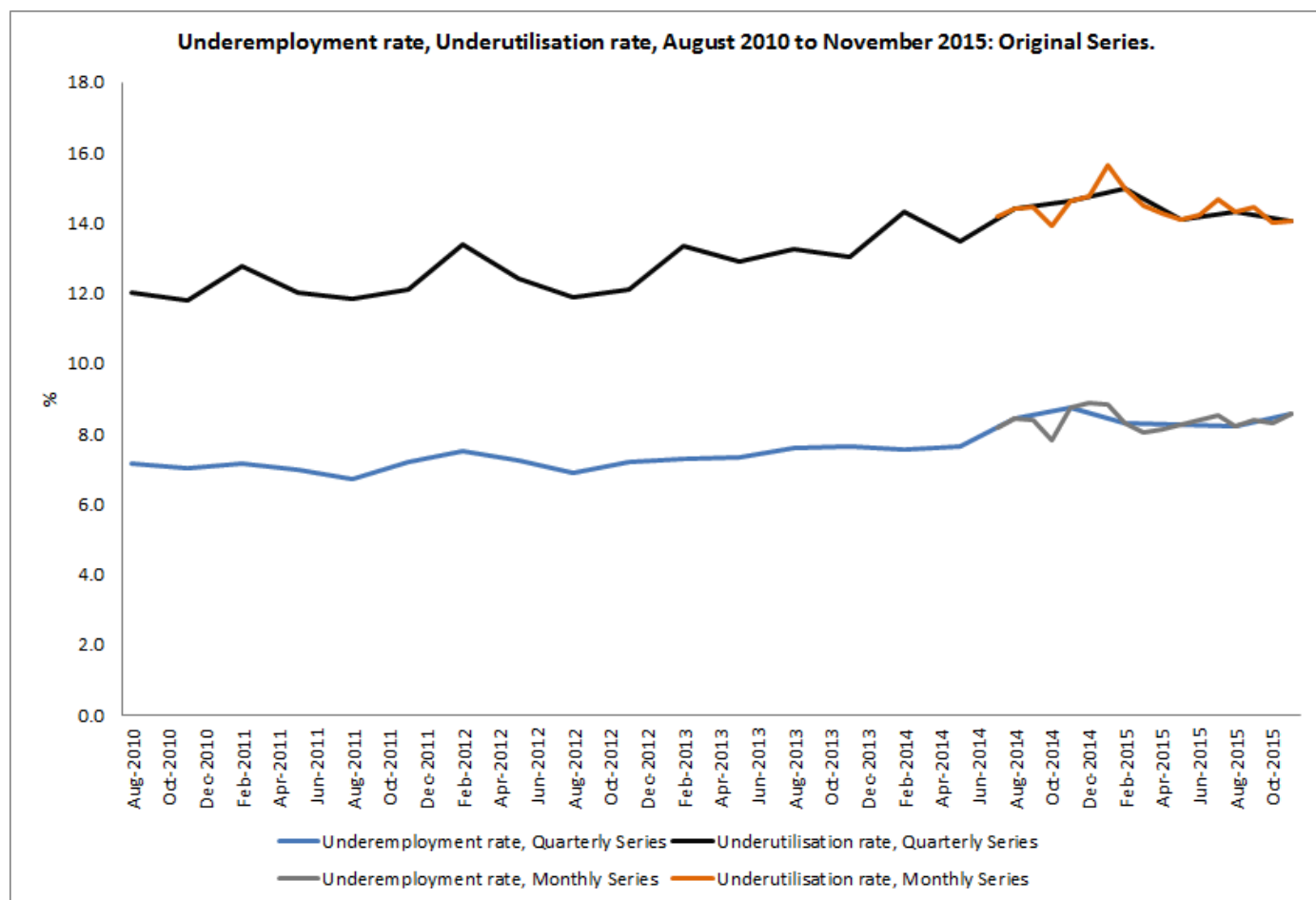
Given the importance of these measures, their frequency has been increased from quarterly to monthly from July 2014, as one of the Outcomes of the Labour Household Surveys Content Review (cat. no. 6107.0). From the November 2015 issue, original monthly underemployment and underutilisation information, covering July 2014 onwards, will be released in Labour Force, Australia (cat. no. 6202.0). This is in addition to the quarterly series, which will continue.

For most analytical purposes, trend or seasonally adjusted data are preferred. Given that at least three years of original monthly data are required before seasonality can be reliably determined, monthly seasonally adjusted and trend series will not be produced before July 2017. In the meantime, the ABS will continue to provide original, seasonally adjusted, and trend underemployment and underutilisation data on a quarterly basis (in tables 22 and 23), and monthly data on an original basis (in tables 24 and 25).

NEW MONTHLY UNDEREMPLOYMENT AND UNDERUTILISATION SERIES

Time series of the quarterly data, along with the new monthly data now available, are shown below.





SCOPE OF UNDEREMPLOYMENT AND UNDERUTILISATION

In addition to changing the frequency of underemployment and underutilisation measures (from July 2014), the ABS will also be expanding the scope of the series (from July 2017).

Currently, the scope of underemployed people includes:

- people employed part time who wanted to work more hours and were available to start work with more hours, either in the reference week or in the four weeks subsequent to the survey; or
- people employed full time who worked part time hours in the reference week for economic reasons (endnote 1).

When monthly seasonally adjusted and trend underemployment and underutilisation series become available, the scope of the underemployment measure will be increased to include all employed people who are underemployed. The increased scope will cover the additional group of people employed full-time, who worked full-time hours in the reference week (35 hours or more), and who would have preferred and were available for additional hours of work. Further details will be provided prior to this change.

ENDNOTES

1. It is assumed that these people wanted to work full time in the reference week and would have been available to do so.

This page last updated 15 May 2017

© Commonwealth of Australia

All data and other material produced by the Australian Bureau of Statistics (ABS) constitutes Commonwealth copyright administered by the ABS. The ABS reserves the right to set out the terms and conditions for the use of such material. Unless otherwise noted, all material on this website – except the ABS logo, the Commonwealth Coat of Arms, and any material protected by a trade mark – is licensed under a Creative Commons Attribution 2.5 Australia licence